



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket No. AMS-LPS-16-0060]

United States Standards for Grades of Carcass Beef

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice, request for comments.

SUMMARY: The Agricultural Marketing Service (AMS) of the Department of Agriculture (USDA) is seeking public comments on a petition requesting revision to the United States Standards for Grades of Carcass Beef. Specifically, AMS is requesting comments concerning a petition that requests that the beef standards be amended to include dentition and documentation of actual age as an additional determination of maturity grouping for official quality grading. Currently, the standards only include skeletal and muscular evidence as a determination of maturity grouping for the purposes of official quality grading. Official quality grading is used as an indication of meat palatability and is a major determining factor in live cattle and beef value.

DATES: Submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments should be sent to Beef Carcass Revisions, Standardization Branch, Quality Assessment Division; Livestock Poultry and Seed Program, Agricultural Marketing Service, U.S. Department of Agriculture; 1400 Independence Ave., SW; Room 3932-S, STOP 0258; Washington, D.C. 20250-0258. Comments may also be sent by fax to (202) 690-2746 or by e-mail to beefcarcassrevisions@ams.usda.gov.

FOR FURTHER INFORMATION CONTACT: For additional information, please contact Bucky Gwartney, International Marketing Specialist, Quality Assessment Division, at bucky.gwartney@ams.usda.gov or (202) 720-1424.

SUPPLEMENTARY INFORMATION: Section 203(c) of the Agricultural Marketing Act of 1946, as amended, directs and authorizes the Secretary of Agriculture “to develop and improve standards of quality, condition, quantity, grade, and packaging and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.” AMS is committed to carrying out this authority in a manner that facilitates the marketing of agricultural commodities and makes copies of official standards available upon request. The United States Standards for Grades of Carcass Beef do not appear in the Code of Federal Regulations but are maintained by USDA. These standards are located on USDA’s Web site at:

<https://www.ams.usda.gov/sites/default/files/media/Carcass%20Beef%20Standard.pdf>.

To change the United States Standards for Grades of Carcass Beef, AMS plans to utilize the procedures it published in the August 13, 1997, Federal Register, and that appear in part 36 of title 7 of the Code of Federal Regulations (7 CFR part 36).

Background

The Federal beef grade standards and associated voluntary, fee-for-service beef grading service program are authorized under the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.). The primary purpose of Federal grade standards, including the Federal beef grade standards, is to divide the population of a commodity into uniform groups (of similar quality, yield, value, etc.) to facilitate marketing. In concert, the Federal voluntary, fee-for-service grading program is designed to provide an

independent, objective determination as to if a given product is in conformance with the applicable official Federal standard. In the case of beef, when it is voluntarily graded to the Federal beef grade standards under the beef grading service, the official grade consists of a quality grade and/or a yield grade.

The quality grades are intended to identify differences in the palatability or eating satisfaction of cooked beef principally through the characteristics of marbling and physiological maturity groupings. As noted in the standards referenced above, the principal official USDA quality grades for young (maturity groups “A” and “B”) cattle and carcasses are Prime, Choice, and Select, in descending order in terms of historic market value. USDA recognizes that the beef standards must be relevant to be of greatest value to stakeholders and, therefore, recommendations for changes in the standards may be initiated by USDA or by interested parties at any time to achieve that goal.

For beef, USDA quality grades provide a simple, effective means of describing product that is easily understood by both buyers and sellers. By identifying separate and distinct segments of beef, grades enable buyers to obtain that particular kind of beef that meets their individual needs. For example, certain restaurants may choose to only sell officially graded USDA Prime beef so as to provide their customers with a product that meets a very consistent level of overall palatability. At the same time, grades are important in transmitting information to cattlemen to help ensure informed decisions are made. For example, the market preference and price paid for a particular grade of beef is communicated to cattle producers so they can adjust their production accordingly. In such a case, if the price premium being paid for a grade such as USDA Prime beef merits

producers making the investments required in cattle genetics and feeding to produce more USDA Prime beef, such marketing decisions can be made with justification.

The current beef standards do not utilize dentition or age verification as methods to determine maturity groupings and instead rely solely on skeletal and lean (physiological) maturity. Although never intended to be a definitive method to determine the age of cattle at the time of slaughter and instead utilized to predict beef palatability, the maturity groupings have historically been roughly correlated to different age categories. Maturity grouping A was correlated with beef from cattle between 9 and 30 months of age at time of slaughter, maturity grouping B was correlated with beef from cattle between 30 and 42 months of age at time of slaughter, maturity grouping C was correlated with beef from cattle between 42 and 72 months of age at time of slaughter, maturity grouping D was correlated with beef from cattle between 72 and 96 months of age at time of slaughter, and maturity grouping E was correlated with beef from cattle more than 96 months of age at time of slaughter. However, these are rough approximations that are influenced by other factors including diet, growth promotion administration, calving, breed, and a variety of environmental factors. Therefore, cattle that are younger than 30 months of age (MOA) may have a physiological maturity of B or greater beef quality grade maturity grouping due to other factors listed above.

The current use of dentition to determine animal age at time of slaughter is done on all slaughtered cattle in order to determine whether their age is less than or greater than 30 MOA due to food safety requirements. Cattle older than 30 MOA must have specific risk materials (e.g., vertebral column) removed from their carcasses before the sale of the resulting beef cuts. Age verification involves providing the paper paperwork

or other proof of an animals' actual age (i.e., less than 30 MOA) and is also used for a variety of purposes including meeting foreign market requirements for U.S. beef from cattle under a certain age.

The official standards have had past revisions made to the maturity grouping requirements, and these revisions resulted in classifications that were designed to reduce the variability of eating quality within the grades. The most recent such change occurred in 1997 when certain carcasses from the B maturity grouping were no longer eligible for the USDA Choice or Select quality grades. However, the official standards have never relied upon any other indicator besides physiological maturity to determine maturity grouping or the resulting USDA quality grade. This was primarily because the use of physiological maturity wasn't intended to be used to predict the age of an animal at time of slaughter but, instead, the resulting palatability of the meat. Many years of research have demonstrated a strong correlation between physiological maturity and beef palatability.

However, current research has indicated that carcasses from grain-fed steers and heifers that are deemed less than 30 MOA, based on dentition, are similar in palatability to A maturity carcasses determined via physiological maturity and thus could be classified "A" maturity for grading purposes even though the physiological maturity characteristics of "B" or older maturity groupings may be present. Utilizing the recommendations of dentition and age verification would allow for an alternate method of classifying beef carcasses into maturity groupings and thus allow additional carcasses to qualify for the higher USDA grades of Prime, Choice and Select without a significant reduction in the consistency of those grades in predicting palatability.

AMS was provided a large data set from a recent study of beef packing plant slaughter and has performed a statistical and economic analysis on this data in order to determine the possible impact should the proposed change to the Standards be adopted. That report can be found here:

<https://www.ams.usda.gov/grades-standards/beef-request-for-comments>

The study period ranged from the beginning of May 2014 through the end of April 2015, and the results are summarized below.

Extrapolating the study data across the total population of cattle graded each year by AMS—approximately 21 million—results in the following:

- Seventy-two percent were slaughtered in facilities participating in the study,
- Ninety-seven percent were found to be less than 30 MOA using dentition,
- Less than 3 percent (2.8) were found to be equal to or greater than 30 MOA,
- Less than 2 percent (1.68) were deemed to be age-discounted when using skeletal ossification as the measure of maturity grouping, and
- Less than one-half of 1 percent of the total cattle graded were age-verified.

According to the study, had there been an allowance to use dentition as a means to override physiological characteristics of advanced maturity grouping, as is proposed, an additional 1.3 percent of those cattle would have been eligible for grading. Of these cattle, 4.5 percent would have been graded Prime, 63.6 percent Choice, and 31.9 percent Select. Within the Choice category, 24.4 percent of all newly graded carcasses, would have been placed in the top two-thirds Choice category (branded Choice programs), and

39.2 percent of all added carcasses would have been placed in the bottom of the Choice category. Currently, many private companies or organizations have established carcass schedules whereby AMS graders evaluate individual carcasses for conformance with those established requirements – things such as breed or breed influence, age, ribeye size, carcass weight. Most of those carcass programs (e.g., Certified Angus Beef™) currently have requirements for only allowing “A Maturity” carcasses.

The grade composition of the carcasses being added by using dentition as a measure of age was not much different than the grade composition of carcasses graded using physiological maturity, and overall, these data show an increase of 1.05 percent for Prime beef, 0.91 percent for Choice¹ and 1.29 percent for Select. According to calculations made from wholesale beef elasticity, wholesale beef prices could decline between 1 to 1.5 percent for each of the grade categories as a result of the increased supply of graded beef.

According to projections provided by the National Cattlemen’s Beef Association (NCBA), producers would yield approximately \$59 million in added revenue from removal of discounts for cattle identified as greater than A maturity grouping that dentition would allow to be classified as such. AMS found a net gain to producers of nearly \$55 million, primarily due to reduced hard bone discounts for quality grade maturity grouping done by the current physiological maturity approach alone.

A petition has been submitted by NCBA, the National Association State Departments of Agriculture, the U.S. Meat Export Federation, and the American Farm Bureau Federation and can be found here:

¹ While the volume of Choice carcasses added is large, the existing production of Choice beef is significantly large enough to result in a smaller proportion of Choice added than for Prime and Select.

<https://www.ams.usda.gov/grades-standards/beef-request-for-comments>

The petitioners cite several research papers, as listed in the reference section at the above link, to support their request. Two of the summary papers that outline the relevant studies can be found here:

<https://www.ams.usda.gov/grades-standards/beef-request-for-comments>

In summary, the studies showed that the use of dentition to determine maturity groupings did not have a significant negative affect on the ability of the official USDA quality grades to group beef into similar palatability categories while at the same time would allow for additional carcasses to qualify for the higher USDA quality grades of Prime, Choice and Select. This would allow for consumers to have access to additional USDA Prime, Choice and Select beef as well as for producers to be paid price premiums for cattle whose carcasses grade USDA Prime, Choice or Select.

In addition, a recent analysis located at:

<https://www.ams.usda.gov/grades-standards/beef-request-for-comments>, which was done by the American Meat Science Association's Committee on Grading, found that while age at the time of slaughter does influence meat palatability, this becomes less influential within the young U.S. grain-fed cattle population, as the vast majority of cattle presented for grading in U.S. beef processing facilities are less than 30 MOA and USDA "A" or "B" maturity. It is important to note that the population of fed beef cattle in the U.S. has changed significantly over the last several decades. Today, there is greater consistency within the cattle herd, improved genetics, a relatively young slaughter population, more widespread use of growth promoting technologies that are known to effect bone ossification, and much higher carcass weights at slaughter which may also have skeletal

implications. These market and production changes, along with recent research, could indicate that physiological maturity is less influential on palatability than in the past.

Request for Comments

AMS is soliciting comments from stakeholders about whether changes in the methodology for determining maturity grouping assessment for the purposes of official USDA quality grading should be made. This change would have no effect on the role that maturity groupings have upon USDA quality grade determination, simply how carcasses are placed into those maturity groupings. AMS also invites comments about how those changes would be implemented in the current beef grading system. If, after analyzing the comments, AMS determines that changes are warranted, a notice will be published in the Federal Register proposing specific changes to the United States Standards for Carcass Beef. Interested parties will have an opportunity to comment prior to a final decision adopting any changes.

Dated: August 19, 2016.

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Administrator
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